

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

BEFORE THE
ILLINOIS COMMERCE COMMISSION

MT. CARMEL PUBLIC UTILITY CO.) DOCKET NO.
) 07-0357
)
)
Proposed general increase in)
electric and natural gas rates.)
(Tariffs filed on May 4, 2007))

Springfield, Illinois
Tuesday, December 4, 2007

Met, pursuant to notice, at 9:00 a.m.

BEFORE:

MR. J. STEPHEN YODER, Administrative Law Judge

APPEARANCES:

MR. ERIC BRAMLET
Attorney at Law
Post Office Box 278
Mt. Carmel, Illinois 62863
Ph. # (618) 263-3502

(Appearing on behalf of Mt.
Carmel Public Utility Co.)

SULLIVAN REPORTING COMPANY, by
Carla J. Boehl, Reporter
Ln. #084-002710

1		<u>I N D E X</u>			
2	<u>WITNESS</u>	<u>DIRECT</u>	<u>CROSS</u>	<u>REDIRECT</u>	<u>RECROSS</u>
3	CHERI L. HARDEN				
	By Mr. Olivero	32		42	
4	By Mr. Balough		35		
	By Mr. Bramlet		41		
5					
	MARY H. EVERSON				
6	By Mr. Olivero	44			
	By Mr. Balough		47		
7	By Judge Yoder		49		
8	GREG ROCKROHR				
	By Ms. Von Qualen	51		57	
9	By Mr. Bramlet		54		
	By Mr. Balough		56		
10					
	MIKE OSTRANDER				
11	By Ms. Von Qualen	60		65	
	By Mr. Bramlet		62		74
12	By Mr. Balough		63		67
	By Judge Yoder		64		
13					
	DAN LONG				
14	By Mr. Bramlet	88			
	By Mr. Balough		100		
15					
	BRANDI STENNETT				
16	By Mr. Balough	115			
	By Mr. Bramlet		117		
17					
18					
19					
20					
21					
22					

1		<u>EXHIBITS</u>		
2			<u>MARKED</u>	<u>ADMITTED</u>
3	ICC Staff 1.0	E-Docket		75
	ICC Staff 2.0	E-Docket		51
4	ICC Staff 3.0	E-Docket		59
	ICC Staff 4.0	E-Docket		77
5	ICC Staff 5.0	E-Docket		77
	ICC Staff 6.0	E-Docket		43
6	ICC Staff 7.0	E-Docket		75
	ICC Staff 8.0	E-Docket		51
7	ICC Staff 9.0	E-Docket		59
	ICC Staff 10.0	E-Docket		43
8	ICC Staff 11.0	E-Docket		77
	ICC Staff 12.0	E-Docket		77
9				
	MCPU 1.0	E-Docket		114
10	MCPU 2.0	E-Docket		114
	MCPU 3.0	E-Docket		114
11	MCPU 4.0	E-Docket		114
	MCPU 5.0	E-Docket		114
12	MCPU 6.0	E-Docket		114
	MCPU 7.0	E-Docket		114
13	MCPU 1.0 R	E-Docket		114
	MCPU 1.0 SR	E-Docket		114
14	MCPU 1.1 SR	E-Docket		114
	MCPU 2.0 SR	E-Docket		114
15	MCPU 3.0 SR	E-Docket		114
16	City Late-filed Corrected 1.0	E-Docket		119
	City 2.0	E-Docket		119
17	City 2.01	E-Docket		119
18				
19				
20				
21				
22				

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

PROCEEDINGS

JUDGE YODER: By the authority vested in me by the Illinois Commerce Commission, I now call Docket Number 07-0357, captioned Mt. Carmel Public Utility Company regarding a proposed increase in electric and natural gas rates. We are here for an evidentiary hearing today.

Can I have the appearances for the record, please?

MR. BRAMLET: Appearing on behalf of Mt. Carmel Public Utility Company, my name is Eric Bramlet. My mailing address is Post Office Box 278, Mt. Carmel, Illinois 62863, telephone number (618) 263-3502.

MR. OLIVERO: Appearing on behalf of Staff witnesses of the Illinois Commerce Commission, Jim Olivero and Janis Von Qualen, 527 East Capitol Avenue, Springfield, Illinois 62701.

MR. BALOUGH: Appearing on behalf of the City of Mt. Carmel, Richard C. Balough, 53 West Jackson Boulevard, Suite 936, Chicago, Illinois 60604.

JUDGE YODER: Anyone else wishing to enter

1 their appearance in this docket? Let the record
2 reflect no response.

3 It is my understanding the parties
4 intend to have Staff witnesses present their
5 testimony. Following the close of Staff's testimony
6 and any cross, then we would address the motions to
7 strike and present the City and the Utility's
8 testimonies, is that correct?

9 MR. OLIVERO: That is correct.

10 JUDGE YODER: All right. Go ahead, Mr.
11 Olivero.

12 MR. OLIVERO: Your Honor, we would call as our
13 first witness Cheri Harden.

14 JUDGE YODER: Actually, before I do that, why
15 don't I have whoever is going to testify today, Mr.
16 Long, Ms. Stennett, I presume, Ms. Harden. Are there
17 any Staff witnesses who are not here right now? If
18 they are not here, remind me when they are called. I
19 think there is a couple you put in by affidavit, so I
20 will swear them then. So right now we will do it
21 jointly.

22 (Whereupon the witnesses were

1 duly sworn by Judge Yoder.)

2 CHERI L. HARDEN

3 called as a witness on behalf of Staff of the
4 Illinois Commerce Commission, having been first duly
5 sworn, was examined and testified as follows:

6 DIRECT EXAMINATION

7 BY MR. OLIVERO:

8 Q. Good morning, Ms. Harden. Would you please
9 state your full name and spell your last name for the
10 record.

11 A. Cheri L. Harden, H-A-R-D-E-N.

12 Q. And by whom are you employed and what is
13 your business address?

14 A. I am employed by the Illinois Commerce
15 Commission. My address is 527 East Capitol Avenue,
16 Springfield, Illinois 62701.

17 Q. And what is your position with the Illinois
18 Commerce Commission?

19 A. I am a rate analyst.

20 Q. Ms. Harden, have you prepared written
21 testimony for purposes of this proceeding?

22 A. Yes.

1 Q. And do you have before you a document which
2 has been marked for identification as ICC Staff
3 Exhibit 6.0 which consists of a cover page, 20 pages
4 of narrative testimony and two schedules identified
5 as 6.01 E and 6.2 G and is entitled Direct Testimony
6 of Cheri L. Harden?

7 A. Yes.

8 Q. Is that a true and correct copy of the
9 direct testimony that you have prepared for this
10 proceeding?

11 A. Yes.

12 Q. You also have before you a document that
13 have been marked for identification as ICC Staff
14 Exhibit 10.0 which consists of a cover page, seven
15 pages of narrative testimony and two schedules
16 identified as 10.01 E and 10.02 G and is entitled
17 Rebuttal Testimony of Cheri L. Harden?

18 A. Yes.

19 Q. And is this a true and correct copy of the
20 rebuttal testimony that you had prepared for this
21 proceeding?

22 A. Yes, it is.

1 Q. You also -- excuse me. Do you have any
2 corrections to make to either your prepared direct or
3 rebuttal testimony?

4 A. No.

5 Q. Is the information contained in ICC Staff
6 Exhibits 6.0 and 10.0 and the accompanying schedules
7 true and correct to the best of your knowledge?

8 A. Yes.

9 Q. And if you were asked the same questions
10 today, would the answers contained in your prepared
11 testimony be the same?

12 A. Yes, they would.

13 MR. OLIVERO: Your Honor, at this time I would
14 ask for admission into evidence of Ms. Harden's
15 prepared direct testimony marked as ICC Staff Exhibit
16 6.0 and Ms. Harden's prepared rebuttal testimony
17 marked as ICC Staff Exhibit 10. These were filed
18 with e-Docket on September 20, 2007, and November 7,
19 2007. And we would then tender Ms. Harden for cross
20 examination.

21 JUDGE YODER: All right. We will address the
22 admissibility after cross.

1 MR. BRAMLET: We have no cross.

2 JUDGE YODER: Mr. Balough, do you have any
3 cross?

4 MR. BALOUGH: Yes, I have a few questions.

5 CROSS EXAMINATION

6 BY MR. BALOUGH:

7 Q. Good morning, Ms. Harden.

8 A. Good morning.

9 Q. In preparing your direct and rebuttal
10 testimony did you review the company's Cost of
11 Service Study?

12 A. Yes.

13 Q. And is one of the purposes of the Cost of
14 Service Study to allocate costs among the various
15 classes?

16 A. Yes.

17 Q. And one of the important things that we try
18 to do or try to be done in a Cost of Service Study is
19 to make sure that customers pay for the facilities
20 they use, is that correct?

21 A. Yes.

22 Q. And customers should not as a general rule

1 pay for facilities that they do not use, is that
2 correct?

3 A. As a general rule.

4 Q. In doing your analysis I believe you found
5 that the Cost of Service Study submitted by the
6 company showed that the commercial electric space
7 heating class should receive a rate decrease, is that
8 correct?

9 A. Is that somewhere in my testimony that you
10 can point me to?

11 Q. Yes, if you could look at your Exhibit
12 Number 6, I believe it is on page 12, starting at
13 line 247.

14 A. I see that. Yes.

15 Q. So am I correct that the Cost of Service
16 Study submitted showed that there should be a
17 decrease of revenue of 12 percent to get to the rate
18 of return of 9.491 percent?

19 A. Yes, if they were going to earn the 9.491
20 percent rate of return.

21 Q. And in fact in this case the company was
22 proposing that that class receive an increase of

1 38.56 percent, is that correct?

2 A. Yes.

3 Q. And that's based on the original revenue
4 requirement, is that correct?

5 A. I am not sure what you mean by original.

6 Q. Well, that's on the company's filed case,
7 correct?

8 A. Yes.

9 Q. And in your rebuttal testimony you prepared
10 a Schedule CLH 10.01 E, is that correct?

11 A. Yes.

12 Q. And that schedule shows the commercial
13 electric space heating service, is that correct?

14 A. I am sorry, could you say that again?

15 Q. That is for the commercial electric space
16 heating service?

17 A. There is a page that refers to that class,
18 yes.

19 Q. And on that page you were recommending that
20 that class receive an increase of 13.04 percent, is
21 that correct?

22 A. Yes.

1 Q. Can you tell me how you arrived at the
2 13.04 percent?

3 A. The increase for the whole company is being
4 spread out to all of the classes. So I did not
5 recommend a decrease for any one class.

6 Q. Well, let me ask it this way. Each
7 class -- I am focusing now on the electric side.
8 Each class receives a different percentage of an
9 increase, is that correct?

10 A. Yes.

11 Q. And the Cost of Service Study showed that
12 this class should receive a decrease, correct?

13 A. Correct.

14 Q. Yet you are showing an increase of 13.04
15 percent, correct?

16 A. Yes.

17 Q. And I am asking how did you arrive at the
18 13.04?

19 A. It is just a matter of trying to spread out
20 the increase from the revenue requirement that the
21 Accounting Department recommended over all of the
22 classes. I did not recommend a decrease for any one

1 class. I did recommend an increase for all of them,
2 and that was the percentage that I recommended for
3 that class.

4 Q. I understand that you did not recommend a
5 decrease for any class, but what I am trying to focus
6 on is -- I guess let me ask a simple question. Is
7 13.04, could it have been -- why didn't you say ten
8 percent?

9 A. I just take the revenue requirement that
10 the Accounting Department recommends in this case,
11 and I spread it over all of the classes. And with
12 the Cost of Service Study, I look at the previous
13 rates, I look at the company proposed rates, and I
14 make a determination, and in this case the schedule
15 for this class shows 13.04 percent.

16 Q. I understand what the schedule shows. I am
17 trying to find out -- well, let me ask, what factors
18 did you follow to come to the 13.04 for this class?

19 A. I am not sure what you mean by factors.

20 Q. Okay. Let me try it again. Did you
21 conduct an analysis to determine that 13.04 was the
22 appropriate percentage increase for this class?

1 A. It could have been different. I looked at
2 the Cost of Service and all the other items I
3 mentioned, the current rates, the proposed rates by
4 the company, and made a determination based on the
5 Cost of Service Study.

6 Q. When you say it could have been different,
7 it could have been, for example, lower?

8 A. Yes.

9 Q. And that would not make it incorrect, is
10 that correct?

11 A. No.

12 MR. BALOUGH: I have no other questions.

13 MS. VON QUALEN: Could we have a minute?

14 JUDGE YODER: Sure.

15 MR. BRAMLET: I do have one cross; is it
16 possible to do that before Staff does?

17 JUDGE YODER: I am sorry?

18 MR. BRAMLET: I do have one cross question that
19 I would like to follow up on.

20 JUDGE YODER: Do you have any objection to
21 that?

22 MR. BALOUGH: I thought they waived cross, I am

1 sorry.

2 JUDGE YODER: He didn't have any cross. I am
3 generally pretty lenient on allowing some
4 questioning.

5 MR. BALOUGH: As long as it works during the
6 day.

7 JUDGE YODER: Why don't you go ahead and ask
8 the witness your one question.

9 CROSS EXAMINATION

10 BY MR. BRAMLET:

11 Q. Ms. Harden, is it customary or standard
12 practice to use the exact results of the Cost of
13 Service Study to design rates?

14 A. No.

15 MR. BRAMLET: Nothing further.

16 MS. VON QUALEN: Could we have a couple
17 minutes?

18 JUDGE YODER: Sure.

19 (Pause.)

20

21

22

1 REDIRECT EXAMINATION

2 BY MR. OLIVERO:

3 Q. Just briefly, Ms. Harden, Mr. Balough was
4 asking you some questions regarding your ICC Schedule
5 CLH 10.01 regarding commercial electric space heating
6 service and particularly the 13.04 percent amount.
7 Can you please give a background or rationale for why
8 you suggested that amount?

9 A. Well, when I divide the revenue requirement
10 up between the different classes, I use my personal
11 judgment and I try to prevent rate shock to the other
12 classes. I recommended the 13.04 percent for the
13 commercial space heating class. All the other
14 classes received -- one received almost 20 percent
15 and all the other ones were over 20 percent. So that
16 class did receive the lowest percentage increase in
17 relation to the other classes, but I could not go as
18 far as giving a decrease to them, for that would have
19 resulted in rate shock to the other classes.

20 MR. OLIVERO: That's all we have, Your Honor.

21 JUDGE YODER: Anything based on anything
22 Mr. Olivero asked?

1 MR. BALOUGH: No, Your Honor.

2 (Witness excused.)

3 JUDGE YODER: Any objection, Mr. Balough, to

4 the admission of Staff Exhibit 6 with the

5 accompanying schedules and Staff Exhibit 10 with the

6 accompanying schedules?

7 MR. BALOUGH: No, Your Honor.

8 JUDGE YODER: Mr. Bramlet, any objection to

9 those?

10 MR. BRAMLET: No, Your Honor.

11 JUDGE YODER: All right. Staff Exhibit 6.0,

12 direct testimony of Cheri Harden, with accompanying

13 Schedules 6.01 E and 6.02 G; Staff Exhibit 10.0,

14 rebuttal testimony of Cheri Harden, with accompanying

15 Schedules 10.01 E and 10.02 G will be admitted into

16 evidence then in this docket.

17 (Whereupon ICC Staff Exhibits

18 6.0 and 10.0 were admitted into

19 evidence.)

20 JUDGE YODER: Your next witness, Mr. Olivero?

21 MR. OLIVERO: That would be Mary Everson.

22 JUDGE YODER: Ms. Everson, you were in the room

1 and have already been sworn, is that correct?

2 MS. EVERSON: Yes, I was.

3 JUDGE YODER: Thank you.

4 MARY H. EVERSON

5 called as a witness on behalf of Staff of the
6 Illinois Commerce Commission, having been first duly
7 sworn, was examined and testified as follows:

8 DIRECT EXAMINATION

9 BY MR. OLIVERO:

10 Q. Good morning.

11 A. Good morning.

12 Q. Could you please state your full name and
13 spell your last name for the record.

14 A. Mary H. Everson, E-V-E-R-S-O-N.

15 Q. Ms. Everson, by whom are you employed and
16 what is your business address?

17 A. I am employed by the Illinois Commerce
18 Commission. My business address is 527 East Capitol
19 Avenue, Springfield, Illinois 62701.

20 Q. I am sorry. And what is your position with
21 the ICC?

22 A. I am an accountant.

1 Q. Have you prepared written testimony for
2 purposes of this proceeding?

3 A. Yes, I have.

4 Q. And do you have before you a document which
5 has been marked for identification as ICC Staff
6 Exhibit 2.0 which consists of a cover page, 12 pages
7 of narrative testimony, and Schedules 2.01 E through
8 2.07 E as well as Schedules 2.01 G through 2.03 G and
9 2.06 G?

10 A. Yes.

11 Q. And that testimony is titled Direct
12 Testimony of Mary H. Everson, correct?

13 A. Correct.

14 Q. And is this a true and correct copy of the
15 direct testimony that you have prepared for this
16 proceeding?

17 A. Yes, it is.

18 Q. You also have before you documents which
19 have been marked for exhibit and identification as
20 ICC Staff Exhibit 8.0 which consists of a cover page,
21 nine pages of narrative testimony, Schedules 8.01 E
22 through 8.08 E as well as 8.01 G through 8.03 G and

1 finally 8.06 G, and is that titled Rebuttal Testimony
2 of Mary H. Everson?

3 A. Yes.

4 Q. And is that a true and correct copy of the
5 rebuttal testimony that you have prepared for this
6 proceeding?

7 A. Yes, it is.

8 Q. Do you have any corrections to make to your
9 prepared direct or prepared rebuttal testimony?

10 A. No, I do not.

11 Q. Is the information contained in ICC Staff
12 Exhibits 2.0 and 8.0 and the accompanying schedules
13 true and correct to the best of your knowledge?

14 A. Yes.

15 Q. Ms. Everson, if you were asked the same
16 questions today, would the answers contained in your
17 prepared testimony be the same?

18 A. Yes, they would.

19 MR. OLIVERO: Your Honor, at this time subject
20 to cross examination we would ask for admission into
21 evidence of Ms. Everson's prepared direct testimony
22 marked as ICC Staff Exhibit 2.0 and Ms. Everson's

1 prepared rebuttal testimony marked as ICC Staff
2 Exhibit 8.0, and these documents were filed via
3 e-Docket on September 20, 2007, and November 7, 2007,
4 respectively.

5 JUDGE YODER: All right. We will address the
6 admissibility after any cross. And you tender
7 Ms. Everson?

8 MR. OLIVERO: We would tender her for cross
9 examination, Your Honor.

10 JUDGE YODER: Mr. Bramlet, any cross for Ms.
11 Everson.

12 MR. BRAMLET: Not at this moment, but we would
13 reserve the right to cross.

14 JUDGE YODER: Mr. Balough?

15 CROSS EXAMINATION

16 BY MR. BALOUGH:

17 Q. Good morning, Ms. Everson.

18 A. Good morning.

19 Q. In your testimony you recommend a
20 disallowance of a pro forma adjustment that the
21 company had made for the purchase of some vehicles,
22 is that correct?

1 A. Which testimony?

2 Q. I am looking at your Staff Exhibit 8.0. I
3 believe it starts on page 2.

4 A. Yes, I see that.

5 Q. Did I read that correctly, that you are
6 proposing to disallow that?

7 A. Yes.

8 Q. In preparation for your testimony today did
9 you read the surrebuttal testimony filed by the
10 company?

11 A. Yes, I did.

12 Q. Is there anything that is on file in the
13 surrebuttal testimony that changes your
14 recommendation as to these vehicles?

15 A. No, the surrebuttal testimony did not
16 change my recommendation.

17 MR. BALOUGH: I have no other questions.

18 JUDGE YODER: Mr. Bramlet, do you have any
19 cross?

20 MR. BRAMLET: Can I have about five minutes? I
21 need to take a look at a couple things. I believe I
22 do have cross, but I need just about five minutes.

1 (Whereupon the hearing was in a
2 short recess.)

3 MR. BRAMLET: Your Honor, we have no cross at
4 this time.

5 JUDGE YODER: Do you have any questions of
6 Ms. Everson?

7 MR. OLIVERO: No, Your Honor.

8 JUDGE YODER: I think I have about two.

9 EXAMINATION

10 BY JUDGE YODER:

11 Q. You had initially proposed an adjustment
12 for the affiliate interest transactions?

13 A. Yes, I did.

14 Q. Between Mt. Carmel and Koger & Bramlet,
15 P.C., is that correct?

16 A. Yes.

17 Q. And I am not sure if that was changed in
18 your rebuttal. Has that adjustment now been changed?

19 A. I would withdraw my opposition to those
20 transactions now, because in October the Commission
21 orders that the affiliate agreement that was brought
22 in Docket 07-0510 and the Commission has ordered

1 that, we had no objection to that agreement. So at
2 the time the Commission orders it, that agreement is
3 valid. I have no opposition. I would withdraw those
4 adjustments.

5 JUDGE YODER: I don't have anything else.

6 MR. OLIVERO: Thank you, Mary.

7 (Witness excused.)

8 JUDGE YODER: Mr. Bramlet, any objection to the
9 admission of Ms. Everson's direct 2.0 with
10 accompanying schedules and 8.0 rebuttal with the
11 accompanying testimonies?

12 MR. BRAMLET: No, Your Honor.

13 JUDGE YODER: Mr. Balough, any objection?

14 MR. BALOUGH: No, Your Honor.

15 JUDGE YODER: All right. Then Staff Exhibit
16 2.0, the direct testimony of Mary Everson, with
17 Schedules 2.01 E and 2.07 E and Schedules 2.01 G
18 through 2.03 G and 2.06 G will be admitted into
19 evidence in this docket. And Staff Exhibit 8.0, the
20 rebuttal testimony of Mary Everson, with Schedules
21 8.01 E through 8.08 E and Schedules 8.01 G through
22 8.03 G and 8.06 G will be admitted into evidence in

1 this docket.

2 (Whereupon ICC Staff Exhibits
3 2.0 and 8.0 were admitted into
4 evidence.)

5 MS. VON QUALEN: Staff calls Greg Rockrohr.

6 JUDGE YODER: Mr. Rockrohr, you were previously
7 sworn, is that correct?

8 MR. ROCKROHR: Correct.

9 JUDGE YODER: Thank you.

10 GREG ROCKROHR

11 called as a witness on behalf of Staff of the
12 Illinois Commerce Commission, having been first duly
13 sworn, was examined and testified as follows:

14 DIRECT EXAMINATION

15 BY MS. VON QUALEN:

16 Q. Good morning. Please state your name and
17 spell your last name for the record.

18 A. Greg Rockrohr, R-O-C-K-R-O-H-R.

19 Q. Who is your employer and what is your
20 business address?

21 A. I am employed by the Illinois Commerce
22 Commission at 527 East Capitol Avenue, Springfield,

1 Illinois.

2 Q. What is your position at the Commission?

3 A. I am an electric engineer.

4 Q. Mr. Rockrohr, did you prepare testimony and
5 exhibits to be presented in this matter?

6 A. Yes.

7 Q. Do you have before you a copy of the direct
8 testimony of Greg Rockrohr, ICC Staff Exhibit 3.0?

9 A. Yes.

10 Q. Did you prepare that document for
11 submission in this proceeding?

12 A. Yes.

13 Q. And does that document consist of 18 pages
14 with Attachments A through H?

15 A. Yes.

16 Q. Do you have any additions or corrections to
17 ICC Staff Exhibit 3.0?

18 A. No.

19 Q. Do you also have before you ICC Staff
20 Exhibit 9.0, the Rebuttal Testimony of Greg Rockrohr,
21 consisting of three pages and Attachments A and B?

22 A. Yes.

1 Q. Did you prepare that exhibit also for
2 submission in this proceeding?

3 A. Yes.

4 Q. Do you have any additions or corrections to
5 ICC Staff Exhibit 9.0?

6 A. No.

7 Q. Mr. Rockrohr, if I asked you the same
8 questions that are contained in ICC Staff Exhibit 3.0
9 and ICC Staff Exhibit 9.0 today, would your answers
10 be the same?

11 A. Yes.

12 Q. And is the information contained in ICC
13 Staff Exhibits 3.0 and 9.0 true and correct to the
14 best of your knowledge?

15 A. Yes.

16 MS. VON QUALEN: Judge, at this time I move for
17 admission into evidence of ICC Staff Exhibit 3.0 and
18 ICC Staff Exhibit 9.0. Exhibit 3.0 was filed
19 electronically on September 20, 2007, and Exhibit 9.0
20 was filed electronically on November 7, 2007.

21 JUDGE YODER: You tender Mr. Rockrohr? We will
22 address the admissibility of those exhibits after any

1 cross.

2 MS. VON QUALEN: Yes, Staff tenders

3 Mr. Rockrohr for cross examination.

4 JUDGE YODER: Mr. Bramlet, any cross for

5 Mr. Rockrohr at this time?

6 MR. BRAMLET: Yes, Your Honor.

7 CROSS EXAMINATION

8 BY MR. BRAMLET:

9 Q. Good morning. You state in your rebuttal
10 testimony at page 3, line 49, if you would like to
11 refer there, that if MCPU is unwilling to commit to
12 completing its investment in the Oak Street Project
13 in the time frame in which the Commission would
14 allow, that MCPU's investments in the Oak Street
15 Project should be disallowed, is that correct?

16 A. Yes.

17 Q. And you have read Mr. Long's surrebuttal
18 testimony, haven't you?

19 A. Yes.

20 Q. Do you have a copy of that with you?

21 A. Yes.

22 Q. Would you please refer to page 9, line 199?

1 Have you had time to review that?

2 A. Yes.

3 Q. And you see there Mr. Long discusses the

4 Mt. Carmel Public Utility Company board meeting of

5 November 2, 2007, don't you?

6 A. Yes.

7 Q. And Mr. Long states that the board took

8 formal direction to have company personnel complete

9 the project by May 4 of 2008, is that correct?

10 A. Correct.

11 Q. Does this board directive change your

12 position regarding the Oak Street investment?

13 A. No, it doesn't change my position. I will

14 add that my position as stated was that Mr. Carmel

15 commit to completing it and provide follow-up reports

16 to the Commission, and I still believe that would be

17 appropriate.

18 Q. So at this time you feel that with

19 reporting then of the commitment showing that it has

20 been done, that would satisfy you?

21 A. Correct. In addition, on November 15 I was

22 in the city of Mt. Carmel on another matter, and I

1 witnessed the construction of the project taking
2 place, so that I am fairly confident with the
3 commitment of Mt. Carmel to complete the project.

4 MR. BRAMLET: Thank you. We have nothing
5 further.

6 JUDGE YODER: Mr. Balough, any cross of
7 Mr. Rockrohr?

8 MR. BALOUGH: Yes, Your Honor.

9 CROSS EXAMINATION

10 BY MR. BALOUGH:

11 Q. Good morning, Mr. Rockrohr.

12 A. Good morning.

13 Q. Your testimony concerned the construction
14 of the substation and the transmission line as it
15 pertains to being used and useful, is that correct?

16 A. Yes.

17 Q. And am I correct that what's referred to as
18 the Oak Street Project extends Circuit 33000 to serve
19 the Friendsville Coal Mine?

20 A. Yes.

21 Q. And under normal operating conditions that
22 circuit would only serve that mine, is that correct?

1 A. Correct.

2 Q. And you are not offering in your testimony
3 any opinion as to how the costs should be allocated
4 to classes, are you?

5 A. None.

6 MR. BALOUGH: I have no other questions.

7 JUDGE YODER: Ms. Von Qualen?

8 MS. VON QUALEN: Yes, I have a couple
9 questions.

10 REDIRECT EXAMINATION

11 BY MS. VON QUALEN:

12 Q. Mr. Rockrohr, could you tell us what is
13 your position today as to whether the Oak Street
14 Project should be included in rate base?

15 A. My position today is that it should be
16 included, which I believe is the same position I had
17 in direct testimony.

18 Q. And are you making a recommendation that
19 the company file reports as the construction
20 continues?

21 A. Yes. In the direct testimony I recommended
22 progress reports so that the company establish a

1 completion date for the project.

2 Q. If I understood you correctly, as of today
3 after your November 15 inspection or trip to Mt.
4 Carmel, you were of the opinion that the project will
5 be completed in a timely fashion?

6 A. Correct. I think it is likely to be
7 completed.

8 Q. And the progress reports that you are
9 requesting, are you requesting that they be filed in
10 this proceeding or are you requesting that they be
11 provided to you?

12 A. I am requesting that they be provided to
13 me.

14 MS. VON QUALEN: Thank you. I have no further
15 questions.

16 JUDGE YODER: Mr. Bramlet, any follow up?

17 MR. BRAMLET: No.

18 JUDGE YODER: Mr. Balough, anything based on
19 what Ms. Von Qualen asked?

20 MR. BALOUGH: No, Your Honor.

21 (Witness excused.)

22 JUDGE YODER: All right. Any objection,

1 Mr. Bramlet, to the admission of Mr. Rockrohr's
2 direct and rebuttal testimony, Exhibits 3 and 9 with
3 the accompanying attachments?

4 MR. BRAMLET: No, Your Honor.

5 JUDGE YODER: Mr. Balough?

6 MR. BALOUGH: No, Your Honor.

7 JUDGE YODER: All right then, Staff Exhibit 3.0
8 with Attachments A through H will be admitted into
9 evidence then in this docket. Staff Exhibit 9.0 with
10 Attachments A and B will also be admitted into
11 evidence then in this docket.

12 (Whereupon ICC Staff Exhibits
13 3.0 and 9.0 were admitted into
14 evidence.)

15 MS. VON QUALEN: Staff calls Mike Ostrander.

16 JUDGE YODER: Mr. Ostrander, you were in the
17 room and have previously been sworn, is that correct?

18 MR. OSTRANDER: Yes, Your Honor.

19
20
21
22

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

MIKE OSTRANDER

called as a witness on behalf of Staff of the
Illinois Commerce Commission, having been first duly
sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MS. VON QUALEN:

Q. Good morning.

A. Good morning, Ms. Von.

Q. Please state your name and spell your last
name for the record.

A. My name is Mike Ostrander, capital
O-S-T-R-A-N-D-E-R.

Q. Who is your employer and what is your
business address?

A. I am employed by the Illinois Commerce
Commission. My business address is 527 East Capitol
Avenue, Springfield, Illinois 62701.

Q. Mr. Ostrander, what is your position at the
Commission?

A. I am an accountant.

Q. Did you prepare written testimony in this
proceeding?

1 A. Yes, ma'am.

2 Q. Do you have before you a copy of ICC Staff
3 Exhibit 1.0, Direct Testimony of Mike Ostrander,
4 consisting of 14 pages and Schedules 1.01 E through
5 1.14 E and Schedules 1.01 G through 1.14 G?

6 A. Yes.

7 Q. Did you prepare that testimony for
8 submission in this proceeding?

9 A. Yes.

10 Q. Do you have any additions or corrections to
11 ICC Staff Exhibit 1.0?

12 A. No.

13 Q. Do you also have before you a document
14 which has been marked as ICC Staff Exhibit 7.0,
15 Rebuttal Testimony of Mike Ostrander, consisting of
16 13 pages with attached Schedules 7.01 E through 7.15
17 E and Schedules 7.01 G through 7.15 G?

18 A. Yes.

19 Q. Do you have any additions or corrections to
20 make to ICC staff Exhibit 7.0?

21 A. No.

22 Q. Is the information contained in ICC Staff

1 Exhibits 1.0 and 7.0 true and correct to the best of
2 your knowledge?

3 A. Yes.

4 Q. If I were to ask you the same questions
5 today, would your answers be the same?

6 A. Yes.

7 MS. VON QUALEN: Judge, at this time I tender
8 Mr. Ostrander for cross examination and move subject
9 to cross for the admission into evidence of ICC Staff
10 Exhibits 1.0 and 7.0.

11 JUDGE YODER: Mr. Bramlet, any cross for
12 Mr. Ostrander?

13 MR. BRAMLET: Just briefly.

14 CROSS EXAMINATION

15 BY MR. BRAMLET:

16 Q. Mr. Ostrander, how are you?

17 A. Very good, thank you.

18 Q. If the company would commit to providing
19 progress reports to you verifying that they have
20 hired an additional three staff members prior to May
21 2008, would that change your opinion today on the
22 disallowance?

1 A. When you refer to progress reports, meaning
2 that you have hired additional personnel?

3 Q. Yes.

4 A. Could you repeat the question?

5 Q. If the company commits to providing
6 progress reports to you verifying that they have
7 hired an additional three staff members prior to May
8 2008, would that change your opinion on the
9 disallowance?

10 A. What would be contained in the progress
11 reports?

12 Q. If you were provided progress reports that
13 indicated hire dates to the named personnel
14 positions, would that be sufficient?

15 A. Yes.

16 MR. BRAMLET: We have nothing further, Your
17 Honor.

18 JUDGE YODER: Mr. Balough, any cross for
19 Mr. Ostrander?

20 CROSS EXAMINATION

21 BY MR. BALOUGH:

22 Q. Mr. Ostrander, in respect to these progress

1 reports that you were just asked about, would it be
2 your intent to offer those into the record?

3 MS. VON QUALEN: The question assumes you have
4 an opinion about that. Obviously, if you have no
5 opinion about that, you would also say that.

6 A. I don't have an opinion.

7 Q. Well, let me -- you have read the rebuttal
8 testimony filed by the company in this case, the
9 surrebuttal testimony, have you not?

10 A. Yes, I have.

11 Q. Is there anything that is in the
12 surrebuttal testimony that would change your opinion
13 concerning the disallowance of the five employees?

14 A. No.

15 MR. BALOUGH: I have no other questions.

16 JUDGE YODER: I think I will ask a question
17 before Mr. Bramlet might.

18 EXAMINATION

19 BY JUDGE YODER:

20 Q. You had originally proposed a disallowance
21 for five proposed employees, is that correct?

22 A. Yes, Your Honor.

1 Q. In your rebuttal testimony had that been
2 altered to a disallowance for three proposed
3 employees, that two had been hired? Am I correct or
4 am I misreading the --

5 A. That is correct.

6 JUDGE YODER: Mr. Bramlet, anything?

7 MR. BRAMLET: Nothing further, Your Honor.

8 MS. VON QUALEN: May I take a moment with the
9 witness?

10 JUDGE YODER: Sure.

11 (Pause.)

12 JUDGE YODER: Back on the record. Any
13 questions, Ms. Von Qualen?

14 MS. VON QUALEN: Yes, I have a few questions.

15 REDIRECT EXAMINATION

16 BY MS. VON QUALEN:

17 Q. Mr. Ostrander, you recall Mr. Bramlet
18 asking you if the company were to commit to provide
19 progress reports if your position regarding whether
20 the hiring of those three employees would change?

21 A. Yes.

22 Q. When he suggested providing progress

1 reports, what would you envision for that?

2 A. As far as progress reports to confirm the
3 hiring of the remaining open positions, I would look
4 for documents that shows that employment was offered
5 and it was accepted by the new employee.

6 Q. And would the progress reports -- would you
7 envision that they be given to you or that they be
8 put into the record or both?

9 A. Both.

10 Q. Do you have an opinion as to how, if your
11 recommendation would change, you would have that put
12 into the record?

13 MR. BALOUGH: Objection, Your Honor, to the
14 extent that is now calling for a legal conclusion as
15 to how the record is going to be approached,
16 considering this witness had no opinion just a few
17 minutes ago.

18 MS. VON QUALEN: I will rephrase the question.

19 JUDGE YODER: Okay.

20 BY MS. VON QUALEN:

21 Q. Mr. Ostrander, would you anticipate
22 providing a change -- if your recommendation changed,

1 providing that in the record for this proceeding?

2 A. Yes.

3 Q. As of today's date, based upon the evidence
4 the company has provided you in direct, rebuttal and
5 surrebuttal testimony, what is your position
6 regarding the employees?

7 A. The disallowance of the three open
8 positions.

9 Q. Mr. Ostrander, do you have any opinion as
10 to when you would need a progress report in order to
11 change your opinion in this proceeding?

12 A. In the short term, looking at it from when
13 briefs are scheduled, although as I understand it
14 they have not yet been scheduled.

15 MS. VON QUALEN: That's all the questions I
16 have.

17 JUDGE YODER: Mr. Balough, anything based on
18 what Ms. Von Qualen asked?

19 MR. BALOUGH: Yes.

20 RECROSS EXAMINATION

21 BY MR. BALOUGH:

22 Q. Mr. Ostrander, you suggested that these

1 reports be put into the record, is that correct?

2 A. Yes.

3 Q. Are you going to file supplemental

4 testimony then and offer them into the record?

5 A. Yes.

6 Q. When would you file that testimony?

7 A. I am sorry, did you ask for my --

8 Q. I asked when you would file that testimony,

9 yes.

10 A. I am sorry, I misunderstood your question.

11 Q. Let me see if I can rephrase it. You

12 propose that this report be put into the record,

13 correct?

14 A. Yes.

15 Q. That would be done through testimony, is

16 that correct?

17 A. Yes.

18 Q. It would be your testimony, is that

19 correct?

20 A. No.

21 Q. Whose testimony would it be?

22 A. The company.

1 Q. So you are proposing that the company be
2 able to file sur sur supplemental testimony, is that
3 your recommendation?

4 MS. VON QUALEN: I am going to object here to
5 the characterization. I don't think that
6 Mr. Ostrander made this proposal. The company made a
7 proposal and he is responding to it.

8 MR. BALOUGH: Your Honor, may I? When I asked
9 this witness whether or not he had an opinion, the
10 answer was he had no opinion. After he was taken out
11 in the wood shed, he has an opinion. I would like to
12 be able to find out how he is going to do this.

13 JUDGE YODER: I will allow a little more
14 questioning on how Mr. Ostrander has proposed to do
15 this, if he has any opinion at this time.

16 BY MR. BALOUGH:

17 Q. When would the company file this testimony,
18 Mr. Ostrander?

19 MR. BRAMLET: Your Honor, still on the record
20 at this point, the company would make an objection
21 that he can go off the record and do whatever he
22 pleases. As far as the record issue, you know, we

1 are counsel, so we have already made a judgment on
2 the date.

3 JUDGE YODER: Mr. Balough? Ms. Von Qualen?

4 MR. BALOUGH: Your Honor, I don't think the
5 date is calling to complete the case. I think it
6 just hasn't been stated.

7 MS. VON QUALEN: I would tend to agree with
8 Mr. Bramlet. This is kind of an odd series of
9 questions and proposals to happen during the cross
10 stage of the hearing. Mr. Ostrander is in the
11 uncomfortable position of being the witness on the
12 stand when it came up. But it seems to me that these
13 questions are actually more procedural, and it
14 doesn't need Mr. Ostrander's expert opinion. This is
15 something that needs to be discussed with the ALJ and
16 the attorneys to make a determination procedurally
17 whether late-filed exhibits would be allowed, when
18 they would be allowed, whether Staff would file
19 testimony afterwards.

20 I don't really think that calls upon
21 Mr. Ostrander's expertise as much as it calls upon
22 the judge's discretion, a motion from the company,

1 objections, whether Staff agrees, and timing issues.

2 MR. BALOUGH: Your Honor, may I respond?

3 JUDGE YODER: Uh-huh.

4 MR. BALOUGH: Your Honor, counsel opened the
5 door. Counsel asked a question when she put it into
6 the record. I think since counsel opened the door, I
7 am entitled to go through it and ask some questions.
8 That's all I am asking.

9 JUDGE YODER: Well, I tend to agree with
10 Mr. Bramlet and Ms. Von Qualen that how we might
11 accomplish this is probably left to us as opposed to
12 the witnesses on how the record might be supplemented
13 after today. You can ask Mr. Ostrander what he
14 envisions or hopes, his thoughts on what might be
15 filed. I will have to figure out how or if that will
16 happen, but I think you can ask him what he would
17 like to see.

18 BY MR. BALOUGH:

19 Q. Mr. Ostrander, do I understand your
20 testimony that you would like the company to file
21 some type of supplemental testimony in this docket
22 concerning the hiring of employees? Is that correct?

1 A. That's correct.

2 Q. And as I understood it, in response to your
3 counsel you indicated that that testimony would have
4 to come prior to the briefs being filed in this case,
5 is that correct?

6 A. That's correct.

7 Q. So the employees would have to be hired
8 and -- would have to be hired and accepted and
9 employed by the date prior to the filing of briefs in
10 this case under your scenario, is that correct?

11 MR. BRAMLET: Your Honor, again we would object
12 that that is a procedural matter.

13 JUDGE YODER: I think Mr. Ostrander can give
14 his opinion on whether he thinks that needs to happen
15 before briefs are filed.

16 MR. OSTRANDER: Could you repeat the question,
17 please?

18 BY MR. BALOUGH:

19 Q. The company testimony that you envision,
20 would it be filed before the briefs are filed in this
21 case?

22 A. Yes.

1 Q. And that testimony would be to verify that
2 the employees have been offered employment and have
3 accepted employment, is that correct?

4 A. That is correct.

5 Q. And they would have to be on the company
6 payroll by that date?

7 A. Yes.

8 Q. Do you envision filing any testimony in
9 response to the company testimony?

10 A. No.

11 Q. Would your recommendation then be adjusted
12 by the salary level that was actually offered to the
13 employees and accepted?

14 A. I don't understand the question.

15 Q. Under the testimony that you are
16 envisioning being filed, there would be employees who
17 would have actually accepted employment, correct?

18 A. Yes.

19 Q. And if they have accepted employment, then
20 the salary level would be determined, is that
21 correct?

22 A. Yes.

1 Q. And that would be the basis for the
2 adjustment, is that correct?

3 A. Correct.

4 MR. BALOUGH: I have no other questions.

5 MR. BRAMLET: Just one, Your Honor.

6 JUDGE YODER: Okay.

7 RECROSS EXAMINATION

8 BY MR. BRAMLET:

9 Q. Mr. Ostrander, in discussing the salary
10 that they are hired in, would it be your
11 recommendation that an employee continue at the same
12 pay level as when they were hired without any raises
13 or any type of adjustments for time -- strike that
14 question. Ask it another way.

15 Do you have any opinion as to whether
16 the employees that are hired would be hired at the
17 same salaries as reflected in the adjustment, in the
18 filing?

19 A. Yes.

20 Q. That you believe they would be?

21 A. Yes.

22 MR. BRAMLET: We have nothing further.

1 JUDGE YODER: Ms. Von Qualen, anything?

2 MS. VON QUALEN: I have no other questions.

3 JUDGE YODER: Mr. Bramlet, any objection to

4 Mr. Ostrander's Schedule 1 with the accompanying

5 schedules and Exhibit 7 with the accompanying

6 schedules being admitted into evidence in this

7 docket?

8 MR. BRAMLET: No, Your Honor.

9 JUDGE YODER: Mr. Balough?

10 MR. BALOUGH: No, Your Honor.

11 JUDGE YODER: All right then, Staff Exhibit 1.0

12 with Schedules 1.01 E through 1.14 E and Schedules

13 1.01 G through 1.14 G be admitted into evidence then

14 in this docket, and Staff Exhibit 7.0 with Schedules

15 7.01 E through 7.15 E and Schedules 7.01 G through

16 7.15 G be admitted into evidence in this docket.

17 (Whereupon ICC Staff Exhibits

18 1.0 and 7.0 were admitted into

19 evidence.)

20 MS. VON QUALEN: Judge, now I would like to

21 offer the testimonies of Mark Maple and Sheena

22 Kight-Garlsch. We have been told that company and

1 intervenor have no cross for these individuals, so we
2 offer their testimony by affidavit. We move for
3 admission into evidence ICC Staff Exhibit 4.0 titled
4 the Direct Testimony of Mark Maple and consisting of
5 seven pages of narrative testimony and one schedule
6 marked as 4.01 G. These are supported by ICC Staff
7 Exhibit 11.0, the affidavit of Mark Maple which was
8 filed electronically on December 3.

9 I also move for admission into
10 evidence of ICC Staff Exhibit 5.0 titled Direct
11 Testimony of Sheena Kight-Garlisch, that's K-I-G-H-T
12 - G-A-R-L-I-S-C-H, consisting of 26 pages of
13 narrative testimony and eight schedules marked as
14 5.01 through 5.08. Exhibit 5.0 is supported by the
15 affidavit of Sheena Kight-Garlisch, ICC Exhibit 12.0,
16 which was filed electronically yesterday, December 3.

17 JUDGE YODER: Mr. Bramlet, any objection to the
18 admission of those Staff exhibits?

19 MR. BRAMLET: No, Your Honor.

20 JUDGE YODER: Mr. Balough?

21 MR. BALOUGH: No, Your Honor.

22 JUDGE YODER: All right then, Staff Exhibit

1 4.0, Direct Testimony of Mark Maple, Schedule 4.01 G,
2 and Staff Exhibit 11.0, the affidavit of Mark Maple,
3 will be admitted into evidence in this docket.

4 Staff Exhibit 5.0, the Direct
5 Testimony of Sheena Kight-Garlisich with Schedules
6 5.01 through 5.08, and Staff Exhibit 12.0, the
7 affidavit of Sheena Kight-Garlisich, will be admitted
8 into evidence in this docket.

9 (Whereupon ICC Staff Exhibits
10 4.0, 5.0, 11.0 and 12.0 were
11 admitted into evidence.)

12 JUDGE YODER: Anything further to present on
13 behalf of Staff in this proceeding?

14 MS. VON QUALEN: No, thank you.

15 JUDGE YODER: All right then. Why don't we
16 take about a ten or seven minute break, at least? We
17 can go off the record.

18 (Whereupon the hearing was in a
19 short recess.)

20 JUDGE YODER: Back on the record in 07-0357.

21 I think we are now ready to take up
22 the issue of the City of Mt. Carmel's motion to

1 strike and Mt. Carmel Public Utility's motion to
2 strike. Both parties filed responses to the motions
3 to strike. I am going to take up Mt. Carmel's motion
4 to strike the City's testimony first; I think it is
5 probably more involved.

6 And there is -- I think I understand
7 it now. When I go through it, you guys make sure I
8 get everybody, but I do want to get, Mr. Bramlet,
9 your response, solely on a couple of the issues where
10 Mr. Balough indicated that in essence he did not
11 object to striking various sentences but then
12 indicated that some testimony of Mr. Long's would --
13 should be stricken as it was in rebuttal to what
14 would be stricken. So I would like to get your
15 response.

16 MR. BRAMLET: You want it just on those
17 sections or do you want me to go through his entire
18 response?

19 JUDGE YODER: I would actually just like it on
20 that.

21 MR. BRAMLET: Would you direct me to which
22 sections you would like me to --

1 JUDGE YODER: The first I believe is -- I
2 believe it is the fifth where the two, first two,
3 would be where Mt. Carmel or the indication that Mt.
4 Carmel had been aware of the decline of the economic
5 conditions of the mine and Snap-on, and that would be
6 the first one. That would be on page 4 of
7 Mr. Balough's response.

8 MR. BRAMLET: Your Honor, we have no response
9 to make on that.

10 JUDGE YODER: Okay. Then the next one is the
11 same page about the testimony, I guess, of
12 Ms. Stennett that Mt. Carmel should have scaled back.

13 MR. BRAMLET: Right. Your Honor, on that one
14 we would object to that, still advocate it be
15 stricken. The testimony which Mr. Long has at page
16 15, line 13, rebuts her testimony at page 7, line
17 137, our Concern 5. It is not addressing or
18 rebutting the testimony at page 8, line 184, as
19 Mr. Balough indicates. So his rationale for
20 objecting to it is not correct because the actual
21 testimony is at page 7, line 137, Concern 5.

22 It would be our assertion that it be

1 stricken because it is not rebutting Mr. Long. It
2 has no evidence in the record for its support and for
3 the conclusion without any basis without a rate
4 expert. So his testimony in his direct refers to
5 page 7, line 137, not at page 8, line 154.

6 JUDGE YODER: Okay, so you are indicating that
7 Mr. Long's testimony in response to the scaling back
8 is in the rebuttal or surrebuttal testimony at what
9 page?

10 MR. BALOUGH: Page 15 beginning at line 13.

11 MR. BRAMLET: That's Mr. Long's testimony. But
12 he is rebutting her testimony at page 7, line 137.

13 MR. BALOUGH: Your Honor, if you look at it, it
14 is quoting the exact language that he is asking to
15 strike. "Building projects or business spending to
16 allow for reduced income," and that's what he is
17 asking to strike.

18 JUDGE YODER: All right. Mr. Bramlet, the
19 next, I believe, would be the last -- you are seeking
20 to strike the testimony about the company
21 overspending.

22 MR. BRAMLET: Yes. In response to Mr. Long's

1 testimony they are not noting the right reference
2 again. Again, he is providing brand new testimony on
3 page 7, line 137, Concern 5. So we would just note
4 that hers be stricken and not Mr. Long's because he
5 is rebutting a different section than what is
6 indicated in Mr. Balough's response.

7 JUDGE YODER: Mr. Balough, any response?

8 MR. BALOUGH: Your Honor, if you look at what
9 the testimony says of Mr. Long, it says the company
10 discussed various options with the -- it's totally
11 again attempting to rebut her testimony. So I fail
12 to see here a distinction.

13 MR. BRAMLET: I guess to make my point more
14 clear, at page 15, line 13, Mr. Long's testimony
15 specifically refers to testimony at page 7 of her
16 testimony, not page 8, so.

17 JUDGE YODER: All right.

18 MR. BRAMLET: And, Your Honor, there was a
19 couple in here that I wanted to point out, that on
20 page 5, the first two comments there in Mr. Balough's
21 response, they failed to distinguish the parties
22 being discussed. In his testimony when it talks

1 about company with a capital C, he was talking about
2 Mt. Carmel Public Utility Company, and the
3 prospective business is always business with a B. So
4 our motion will still stand to strike because
5 Mr. Balough did not follow through with the actual
6 parties that are being discussed.

7 JUDGE YODER: Any response?

8 MR. BALOUGH: Your Honor, if you read the
9 testimony I think it's in response to your comments.

10 JUDGE YODER: All right then. Taking up first
11 Mt. Carmel Public Utility's, the utilities, trying to
12 keep these parties straight as I talk about Mt.
13 Carmel, Mt. Carmel. The Public Utility's motion to
14 strike portions of Ms. Stennett's testimony, first
15 the testimony about the unemployment rate which Mt.
16 Carmel sought to strike and Mr. Balough has indicated
17 that this is offered merely to provide the Commission
18 some form of background on Mt. Carmel, the city, and
19 that's all it's being offered for, it will be -- I
20 will over rule that or not allow that motion to
21 strike. It will be given the weight it is determined
22 what weight is to be given in consideration of these

1 matters.

2 The second motion, discussion
3 regarding three companies that expressed some
4 concern, I will again overrule the motion to strike.
5 Mr. Balough indicates it is not offered for the truth
6 of the matter asserted, I believe. Again, it will be
7 given the weight I determine it deserves in
8 consideration of the issues of this matter.

9 Regarding the amount in the Illinois
10 Commerce Commission report that's cited, I believe
11 Mr. Balough is correct, the report is found, the
12 report, on our website. The Commission can consider
13 its own reports, if there is any consideration to be
14 given to it in consideration of this matter. So that
15 matter will be overruled.

16 Ms. Stennett's testimony regarding the
17 amortization rate case expense will be, as indicated
18 by Mr. Balough, treated not as an expert opinion but
19 merely a recitation of the facts. It will not be
20 stricken nor considered an opinion given on the
21 appropriate amortization period with the rate case
22 expense.

1 I believe Mt. Carmel has indicated
2 that the next motion which Mr. Balough has indicated
3 it does not object to striking. Mt. Carmel does not
4 have objections to striking the corresponding portion
5 of Mr. Long's testimony regarding the -- so that will
6 be granted. And the appropriate portion of Mr.
7 Long's testimony will be also stricken.

8 The next piece of testimony sought to
9 be stricken is the City's regarding the City's
10 opinion that Mt. Carmel did not scale back on
11 building projects or business spending to allow for
12 income, reduced income. The City then indicates that
13 if that is stricken, there is a corresponding portion
14 of Mr. Long's testimony which should be stricken.

15 Go off the record for one second.

16 (Whereupon there was then had an
17 off-the-record discussion.)

18 JUDGE YODER: I am not going to strike either.
19 The City can render their opinion on what Mt. Carmel
20 should have done. I think I will also leave in
21 Mr. Long's corresponding testimony, and again the
22 opinions will be given the weight that they deserve

1 in consideration of the issues of this proceeding.

2 The next matter about the City's
3 opinion on how rates should be structured will be in
4 essence considered as a not -- I will not strike
5 them. I will let the City issue their -- treat it as
6 their opinion and not as actually an opinion on rate
7 design but their thoughts on that matter.

8 The next matter on striking Mr. Long's
9 testimony or a comment based on Mr. Long's testimony
10 about one company following through, I will not
11 strike that. I think it is a -- the companies can
12 argue if they feel it is appropriate and needs to be
13 considered. I think it is a fair reading of
14 Mr. Long's testimony at this point.

15 The next item sought to be stricken
16 about the utility rates, potential business funding
17 rates were already higher will not be stricken. It
18 is the company or the City's interpretation of
19 Mr. Long's testimony, and we will leave it in.

20 The next position about a question
21 about rate case expenses and a ten-year period
22 between them, again an appropriate rate case

1 amortization period will be addressed. I am not
2 going to strike it but as indicated that will be
3 addressed in briefs following this hearing.

4 I will not strike the next matter,
5 Ms. Stennett attempting to interpret or correct what
6 her testimony was earlier. We will also leave in
7 Mr. Long's testimony.

8 Turning now to the City's motion to
9 strike portions of Mr. Long's testimony, the first
10 item is seeking to strike a portion of his testimony
11 concerning his opinion of concerns that were
12 expressed by the mining company. I think this is --
13 it is not going to be stricken. It is tendered or
14 objected to as hearsay. I think it is admissible in
15 our consideration of these facts, and it will be
16 given the weight it should be accorded and deserves
17 in consideration at the end of the facts of this
18 proceeding.

19 The next two items sought to be
20 stricken about whether Snap-on and the mine, the
21 question being whether they have received any
22 assistance or concession, the answer being no, will

1 not be stricken. Again, whether they are relevant to
2 the issue, they will be given the weight to which
3 they should be accorded in the consideration of this
4 proceeding.

5 I will not strike Mr. Long's
6 testimony. It's his basic general opinion about
7 generally how auto manufacturers shop for locations
8 of plants, and he is entitled to it since that was in
9 essence raised by the City. We can have some
10 discussion about that, whether it is relevant or not.
11 The parties can discuss.

12 And again on the question of the mine,
13 Mr. Long's testimony about the mine closure
14 announcement, I will not strike it. It is his
15 testimony based on what he observed, and again all of
16 those will be accorded the weight which statements
17 deserve in consideration of the facts in this matter.

18 There was the one basically agreed-to
19 matter stricken then. Everything else is not
20 stricken, as I recall.

21 Mr. Bramlet, are you ready to proceed?

22 MR. BRAMLET: I believe we are, Your Honor.

1 JUDGE YODER: All right. Mr. Long, I assume
2 Mr. Long will be testifying for you?

3 MR. BRAMLET: Yes. Your Honor, before we
4 proceed I just want to make sure I understood,
5 whenever you indicated the City gave an opinion, that
6 was not an expert opinion?

7 JUDGE YODER: Correct. I think Mr. Balough had
8 indicated in his -- that he had not tendered expert
9 opinion.

10 Mr. Long, you were previously sworn in
11 this matter, is that correct?

12 MR. LONG: Yes, sir.

13 DAN LONG
14 called as a witness on behalf of Mt. Carmel Public
15 Utility Company, having been first duly sworn, was
16 examined and testified as follows:

17 DIRECT EXAMINATION

18 BY MR. BRAMLET:

19 Q. Mr. Long, would you please state your name
20 for the record.

21 A. Dan Long, L-O-N-G.

22 Q. And who is your employer?

1 A. SBI Energy Group.

2 Q. Is SBI Energy Group a consulting group?

3 A. Yes, it is.

4 Q. And do they perform consulting services for

5 Mt. Carmel Public Utility?

6 A. Yes, we do.

7 Q. Are you the same Dan Long that prefiled

8 written testimony in this docket?

9 A. Yes, I am.

10 Q. Did you prepare and file direct testimony

11 marked as MCPU Exhibit 1.0 via e-Docket on May 4,

12 2007?

13 A. Yes, I did.

14 Q. Did said direct testimony also include

15 various schedules for both electric and gas?

16 A. Yes, it did.

17 Q. Were those exhibits identified as A2, A2.1,

18 A3, A5, B1, B2, B2.1, B2.2, B2.3, B2.4, B2.5, B2.6,

19 B2.7, B2.8, B3, B5.1, B5.2, B5.3, B6, B6.1, B6.2, B7,

20 B8.1, B9.1, B10, B11, B12, B13, B14, C1, C1.1, C2,

21 C2.1, C2.2, C2.3, C2.4, C2.5, C2.6, C3, C7, C8, C9,

22 C9.1, C10, C11, C11.1, C13, C16, C21, C30, D1 and E1?

1 A. Yes.

2 Q. Do you have a copy of the MCPU Exhibit 1.0
3 and those schedules with you today?

4 A. Yes, I do.

5 Q. If asked the same questions contained
6 therein today, subject to any answers, changes or
7 corrections submitted in your rebuttal or surrebuttal
8 testimony, would your answers be the same?

9 A. Yes.

10 Q. Are the answers contained therein subject
11 to any answers, changes or corrections, whether in
12 your rebuttal or surrebuttal testimony, true and
13 accurate to the best of your knowledge and belief?

14 A. Yes.

15 MR. BRAMLET: I would move for the admission of
16 MCPU Exhibit 1.0 and accompanying schedules.

17 JUDGE YODER: Do you tender Mr. Long?

18 MR. BRAMLET: No. Do you want me to go through
19 all these?

20 JUDGE YODER: Why don't you go through all his
21 exhibits and tender him, and we address any
22 admissibility after cross.

1 BY MR. BRAMLET:

2 Q. Mr. Long, you also prepared and filed what
3 has been marked as MCPU Exhibit 2.0 entitled
4 Development of Electric and Gas Proposed Rates?

5 A. Yes.

6 Q. And this was part of your direct testimony
7 filing via e-Docket on May 4, 2007, wasn't it?

8 A. Yes.

9 Q. Do you have a copy of MCPU Exhibit 2.0 with
10 you today?

11 A. I do.

12 Q. Is the information contained therein true
13 and accurate to the best of your knowledge and
14 belief?

15 A. Yes.

16 Q. Did you also prepare a file, what has been
17 marked MCPU Exhibit 3.0, entitled Electric Embedded
18 Cost of Service Analysis, as part of your direct
19 testimony?

20 A. Yes.

21 Q. That was also filed via e-Docket on May 4,
22 2007?

1 A. Yes.

2 Q. Do you have a copy of MCPU Exhibit 3.0 with
3 you today?

4 A. Yes, I do.

5 Q. Is the information contained therein true
6 and accurate to the best of your knowledge and
7 belief?

8 A. Yes.

9 Q. Did you also prepare and file what has been
10 marked as MCPU Exhibit 4.0, entitled Gas Embedded
11 Cost of Service Analysis, as part of your direct
12 testimony filed via e-Docket on May 4, 2007?

13 A. Yes.

14 Q. Do you have a copy of MCPU 4.0 with you
15 today?

16 A. Yes.

17 Q. Is the information contained therein true
18 and accurate to the best of your knowledge and
19 belief?

20 A. Yes.

21 Q. Did you also prepare and file what has been
22 marked as MCPU Exhibit 5.0, entitled Proposed

1 Electric and Gas Tariff Sheets, as part of your
2 direct testimony filing via e-Docket on May 4, 2007?

3 A. Yes.

4 Q. Do you have a copy of MCPU 5.0 with you
5 today?

6 A. Yes.

7 Q. Is the information contained therein true
8 and accurate to the best of your knowledge and
9 belief?

10 A. Yes.

11 Q. Did you also prepare and file what has been
12 marked as MCPU Exhibit 6.0, entitled Typical Bill
13 Comparisons?

14 A. Yes.

15 Q. This was part of your direct testimony
16 filed via e-Docket on May 4, 2007, wasn't it?

17 A. That is correct.

18 Q. And you have a copy of MCPU Exhibit 6.0
19 with you today?

20 A. Yes, I do.

21 Q. Is the information contained therein true
22 and accurate to the best of your knowledge and

1 belief?

2 A. Yes.

3 Q. Did you also prepare and file what has been
4 marked as MCPU Exhibit 7.0, entitled Copy of Public
5 Notice, as part of your direct testimony via e-Docket
6 on May 4, 2007?

7 A. Yes.

8 Q. And you have a copy of MCPU Exhibit 7.0
9 with you today?

10 A. I do.

11 Q. Is the information contained therein true
12 and accurate to the best of your knowledge and
13 belief?

14 A. Yes.

15 Q. Did you also prepare and file rebuttal
16 testimony marked as MCPU Exhibit 1.0 R via e-docket
17 on October 11, 2007?

18 A. Yes.

19 Q. And do you have a copy of MCPU Exhibit 1.0
20 R with you today?

21 A. I do.

22 Q. If asked the same questions contained

1 therein today, subject to any answers, changes or
2 corrections submitted in your surrebuttal testimony,
3 would your answers be the same?

4 A. Yes, they would.

5 Q. Now, are the answers contained therein,
6 subject to any answers, changes and corrections made
7 in your surrebuttal testimony, true and accurate to
8 the best of your knowledge and belief?

9 A. Yes.

10 Q. Mr. Long, did you also prepare and file
11 surrebuttal testimony marked as MCPU Exhibit 1.0 SR
12 via e-docket on November 21, 2007?

13 A. Yes, I did.

14 Q. Do you have a copy of MCPU Exhibit 1.0 SR
15 with you today?

16 A. I do.

17 Q. At this time do you have any changes,
18 corrections or additions you would like to make to
19 your surrebuttal testimony today?

20 A. I have one typographical error that I would
21 like to make a correction for. That would be found
22 on -- this is 1.0 SR, correct?

1 Q. Correct.

2 A. That would be found on page 9, line 203.

3 At that portion of the testimony reference is made to
4 a date, May 4, 2007. That indicate should actually
5 be May 4, 2008.

6 Q. Do you have any other changes, corrections
7 or additions you would like to make to your
8 surrebuttal testimony today?

9 A. I think just one more.

10 Q. What would that be?

11 A. On page 5 at around line 104 my testimony
12 discusses purchase orders for the purchase of five
13 vehicles; and I would like to add that at the time my
14 testimony was submitted, I did not have actual copies
15 of purchase orders and letters from the company. Now
16 as an attachment, Exhibit 1.1 SR, I would like to
17 provide copies of the purchase orders and letters
18 from the company that are referenced in the testimony
19 and also reciprocal confirmation letters and letters
20 from the actual vendors that indicate that purchase
21 and delivery of the vehicles will take place prior to
22 May 4, 2008.

1 Q. And you indicate these have been marked as
2 MCPU Exhibit 1.1 SR, is that correct?

3 A. That is correct.

4 Q. And it is your intention that these be made
5 part of your surrebuttal testimony?

6 A. Yes.

7 MR. BRAMLET: Your Honor, for the record I have
8 handed a copy to the court reporter marked as MCPU
9 Exhibit 1.1 SR, and also provided counsel and Your
10 Honor with copies.

11 JUDGE YODER: You are marking this as a group
12 or joint or all as one?

13 MR. BRAMLET: Yeah.

14 JUDGE YODER: It is 3.1.

15 BY MR. BRAMLET:

16 Q. Mr. Long, if asked the same questions in
17 MCPU Exhibit 1.1 SR today, subject to the additions
18 that you have made today, would your answers be the
19 same?

20 A. Yes, they would.

21 Q. Are the answers and information contained
22 in MCPU Exhibit 1.0 SR, MCPU Exhibit 1.1 SR and 1.2

1 SR true and accurate to the best of your knowledge
2 and belief?

3 A. Yes.

4 Q. Your Honor, strike that. As far as --

5 A. Did you mean MCPU 2.0 SR?

6 Q. No, I am sorry. MCPU Exhibit 1.0 SR and
7 MCPU Exhibit 1.1 SR?

8 A. Yes.

9 Q. Those are true and accurate to the best of
10 your knowledge and belief?

11 A. Yes.

12 Q. And, Mr. Long, you also prepared and filed
13 as part of your surrebuttal testimony what has been
14 marked as MCPU Exhibit 2.0 SR, did you not?

15 A. Yes.

16 Q. And that was on e-Docket on November 21,
17 2007?

18 A. That is correct.

19 Q. And do you have a copy of MCPU Exhibit 2.0
20 SR with you today?

21 A. I do.

22 Q. And is the information contained therein

1 true and accurate to the best of your knowledge and
2 belief?

3 A. Yes.

4 Q. And, finally, did you prepare as part of
5 your surrebuttal testimony what has been marked as
6 MCPU Exhibit 3.0 SR via e-Docket on November 21,
7 2007?

8 A. Yes.

9 Q. Do you have a copy of MCPU Exhibit 3.0 SR
10 with you today?

11 A. I do.

12 Q. Is the information contained therein true
13 and accurate to the best of your knowledge and
14 belief?

15 A. Yes.

16 MR. BRAMLET: Your Honor, we would move for
17 admission of his exhibits 1.0 and the schedules
18 attached thereto, MCPU Exhibit 2.0, Exhibit 3.0, 4.0,
19 5.0, 6.0, 7.0, 1.0 R, 1.0 SR, 1.1 SR, 2.0 SR and 3.0
20 SR. I would tender Mr. Long for the witness.

21 JUDGE YODER: Do you have a preference who goes
22 first?

1 MS. VON QUALEN: I don't think Staff has any
2 cross of Mr. Long.

3 JUDGE YODER: That makes it easy. Mr. Balough,
4 do you have any cross examination?

5 MR. BALOUGH: Yes, Your Honor.

6 CROSS EXAMINATION

7 BY MR. BALOUGH:

8 Q. Mr. Long, I notice in your testimony at
9 several places you refer to special contracts, is
10 that correct?

11 A. Could you indicate -- point me in the right
12 direction?

13 Q. I will try to do that. Let's start first
14 of all at page 3 of your rebuttal testimony. It
15 talks about the mine, line 13, "The mine for many
16 years paid less than the standard tariffs under the
17 terms of the special contract."

18 A. I am sorry, what page was that?

19 Q. Three.

20 A. Yes.

21 Q. When was that special contract approved?

22 A. Well, I believe the testimony indicates

1 that it probably would have began around 1998.

2 Q. When was it submitted to the ICC for
3 approval?

4 A. That, I don't know.

5 Q. Was it ever submitted to the ICC for
6 approval?

7 A. I don't know.

8 Q. In preparing your -- you prepared the rate
9 filing package in this case, did you not?

10 A. For the most part, yes.

11 Q. And as part of that rate filing package you
12 had to know what the various customer classes were,
13 is that correct?

14 A. By customer classes do you mean the
15 individual rate categories or rate classes?

16 Q. Yes, for example, there is a residential
17 rate?

18 A. Yes.

19 Q. So you needed to know those different
20 classes, is that correct?

21 A. That is correct.

22 Q. And am I correct that at the time you

1 initially prepared your testimony, that the mine was
2 in operation, is that correct?

3 A. Not when I initially prepared my testimony
4 that was filed. No, that is not correct.

5 Q. Okay. You said the testimony that was
6 filed. You were preparing testimony, were you not,
7 prior to the mine being closed?

8 A. I will try to answer what I think you are
9 asking. We were working on the rate filing at the
10 time the mine announced its closure.

11 Q. And as you were working on the rate
12 filing...

13 A. Yes.

14 Q. ..what rate were you using for the mine?

15 MR. BRAMLET: I would object that this is
16 calling for work product. It is not part of the
17 record. It is not relevant at this point because the
18 facts are what they are with regard to the mine
19 closure.

20 MR. BALOUGH: Your Honor, unless I am sadly
21 mistaken, work product has to do with attorney work
22 product, not consultant work product. If he is

1 preparing a work product package, I believe I am
2 entitled to find out what he was looking at and what
3 materials he was using.

4 JUDGE YODER: So you're -- Mr. Balough, if I
5 understand right, you are wanting to know information
6 that possibly was going to be in the rate filing but
7 was not. Circumstances changed so it was not
8 included in this rate filing, is that correct?

9 MR. BALOUGH: Yes, Your Honor. One of the
10 things that they have done in this case is
11 re-allocated all the costs of the mine to the other
12 customers. I am trying to find out simply what class
13 the mine was under at the time and with the special
14 contract what wasn't.

15 MR. LONG: I don't want to get in trouble with
16 my attorney, but I think you will find a document
17 that will give you that information. It is the
18 second page of the Cost of Service Study which is the
19 second page of Exhibit 3.0.

20 BY MR. BALOUGH:

21 Q. Now, I believe it is your testimony also
22 that Snap-on Tools had a special contract, is that

1 correct?

2 A. Yes.

3 Q. Do you know when Snap-on Tools obtained
4 that special contract?

5 A. I don't think I have that information with
6 me here today.

7 Q. Do you know whether that special contract
8 was filed with the Illinois Commerce Commission?

9 A. No.

10 Q. So you would not know whether or not it had
11 ever been approved by the Commerce Commission?

12 A. No.

13 Q. What other customers of Mt. Carmel Public
14 Utility today has special contracts?

15 MR. BRAMLET: I am going to object. As I
16 understand, you are asking for customers which that
17 would be confidential and proprietary.

18 MR. BALOUGH: Your Honor, if they have a
19 special contract, I think I am entitled to know who
20 those customers are.

21 Let me ask the question first.

22 JUDGE YODER: You might want to rephrase that.

1 BY MR. BALOUGH:

2 Q. Are there customers today that are under
3 special contract?

4 A. I am not aware of any.

5 Q. In your testimony you state that if a
6 potential corporation may be locating in the Mt.
7 Carmel service area, that they should contact the
8 utility because it might be able to offer them a
9 special contract, is that correct?

10 A. Where should I be looking?

11 Q. Page 8 of your rebuttal testimony. You say
12 that the company has flexibility, not readily
13 apparent to the city or prospective customers
14 themselves. Are you referring to special contracts?

15 A. This is page 8 of my rebuttal testimony?

16 Q. That's correct.

17 A. About what line?

18 Q. Lines 18 through 20.

19 A. Actually, what I am referring to there are
20 the use of special contracts and also the use of a
21 tariff.

22 Q. And what is your understanding as to

1 whether the company has to file special contracts
2 with the Commission?

3 A. I can't say that I have a clear
4 recollection of what the requirements are for each of
5 a couple of different types of contracts. But there
6 is a tariff the company has on file with the
7 Commission called Electric Contract Service.

8 Q. So would I be correct in saying that your
9 testimony is that if a company is seeking to relocate
10 to the Mt. Carmel service area, that the company
11 would give them rates outside of the published
12 tariffs?

13 A. No, I don't think my testimony is that. I
14 think my testimony is, in answer to your question, is
15 that any company that seeks service within the Mt.
16 Carmel service area has available to it any tariff
17 that is on file with the Commission, one of those
18 being Electric Contract Service which allows the
19 company the flexibility of deviating for certain size
20 customers from the standard tariffs.

21 Q. Mr. Long, do you attend the board meetings
22 of Mt. Carmel Public Utility?

1 A. No.

2 Q. Have you ever attended a board meeting for
3 Mt. Carmel Public Utility?

4 A. Yes.

5 Q. When was the board meeting that you
6 attended?

7 A. I don't recall the exact date.

8 Q. Was it within the last year?

9 A. No, it was not.

10 Q. Do you review the board minutes of Mt.
11 Carmel Public Utility?

12 A. Not regularly.

13 Q. When do you obtain the board minutes to
14 review?

15 A. Only when they are provided to me for a
16 specific reason.

17 Q. So I am correct that you did not attend the
18 November 2007 board meeting?

19 A. I did not.

20 Q. So you have no personal knowledge as to
21 whether or not your Exhibit 2.0 SR is a true and
22 accurate reflection of those board minutes?

1 A. I am not sure I understand what the context
2 of personal knowledge would be. But those minutes,
3 that portion of those minutes, was provided to me by
4 my counsel who is also an executive of the company
5 and also a board member.

6 Q. You have no personal knowledge as to
7 whether or not these minutes are correct, do you?

8 A. Only to the extent that they were provided
9 to me in that form.

10 Q. As part of your assignment in this docket
11 did you negotiate with Altec Industries?

12 A. Never heard that name. Did you say Altec?

13 Q. That's what I said, yes.

14 A. How is it spelled?

15 Q. A-L-T-E-C.

16 A. Altec, did I negotiate with them directly,
17 no.

18 Q. Do you know who they are?

19 A. I believe I do.

20 Q. As part of your assignment in this case
21 from Mt. Carmel Public Utility did you negotiate any
22 contracts with Patriot?

1 A. Who are they?

2 Q. Patriot, do you know who they are?

3 A. I believe it is a car dealer.

4 Q. Did you negotiate -- were you authorized to

5 negotiate on behalf of Mt. Carmel Public Utility with

6 Patriot?

7 A. I did not deal with Patriot.

8 Q. Did you as part of your duties in this case

9 deal with Drake-Scruggs?

10 A. No.

11 Q. You did not have any negotiations with

12 Drake-Scruggs?

13 A. No.

14 MR. BALOUGH: I have no other questions.

15 JUDGE YODER: Mr. Bramlet, any redirect?

16 MR. BRAMLET: Could I have just two minutes?

17 (Pause.)

18 MR. BRAMLET: Your Honor, we have no redirect.

19 JUDGE YODER: Ms. Von Qualen, I assume you

20 don't have any questions for Mr. Long now.

21 MS. VON QUALEN: That is correct. We do not

22 have any questions.

1 JUDGE YODER: Does Staff have any objection to
2 the admission of the exhibits, Mt. Carmel Public
3 Utility Exhibit 1, with accompanying Schedules 2, 3,
4 4, 5, 6, 7; 1.0 R; 1.0 SR, 1.1 SR that was tendered
5 today; 2.0 SR or 3.0 SR?

6 MS. VON QUALEN: The only, not exact objection,
7 but request Staff would have is that exhibit MCPU
8 Exhibit 1.1 SR that was tendered today, it has on it
9 certain faxed copies. We would ask that the company
10 maybe file as late-filed a scanned copy rather than a
11 faxed copy because the faxed copy is very difficult
12 to read. So that if that could be filed later, it
13 would probably be more helpful.

14 JUDGE YODER: Would Mt. Carmel be able to file
15 a late-filed exhibit, late-filed Exhibit 1.1 SR on
16 the e-Docket system?

17 MR. BRAMLET: We can do that.

18 JUDGE YODER: Mr. Balough, any objection to any
19 of the exhibits that I went through?

20 MR. BALOUGH: Yes, Your Honor, I have
21 objections to two. One is MCPU Exhibit 2.0 SR which
22 are the board minutes. These have not been verified

1 board minutes. They are not certified. This witness
2 has no independent knowledge as to whether they are
3 truthful or not, whether they are accurate. So I
4 would object to the admission of MCPU Exhibit 2.0 SR.

5 Also?

6 JUDGE YODER: Yeah, go ahead and give me the
7 other.

8 MR. BALOUGH: And second I would object to MCPU
9 Exhibit 1.1 SR which we were handed today. This
10 witness has no knowledge concerning Altec Industries
11 other than he might know who they are. Patriot
12 Motors and Drake-Scruggs, he has not been authorized
13 to negotiate on behalf of the company with regards to
14 any of these. So he would have no knowledge
15 concerning these documents. They are not properly
16 sponsored by any witness that we could ask any cross
17 examination of since this witness has no knowledge
18 about it. So, Your Honor, I would ask that MCPU 1.1
19 SR not be admitted.

20 JUDGE YODER: Any comment based on those two
21 objections?

22 MR. BRAMLET: Briefly, Your Honor, on 2.0 SR

1 and as far as 1.1 SR, Mr. Long is testifying on
2 behalf of the utility company; not an individual
3 person. He is testifying on behalf of it. He has
4 indicated that he was given copies of the board
5 minutes through counsel who is also a director and
6 officer. It is a business record, therefore
7 admissible.

8 And as far as 1.1 SR, again he is
9 testifying on behalf of the company. It is a company
10 business record. And he does -- I think his
11 testimony was a little mischaracterized. Whenever
12 Mr. Long was trying to understand the pronunciation
13 of who Altec was, he did indicate that he knew of
14 Altec and was aware of it. And it is the same thing
15 that if Mr. Long didn't build the line, does the line
16 not exist. He does have knowledge of it on behalf of
17 the company.

18 JUDGE YODER: All right then, Mt. Carmel Public
19 Utility Exhibit 1.0 with various accompanying
20 schedules for electric and gas will be admitted into
21 evidence then in this docket without objection.

22 Mt. Carmel Public Utility Exhibit 2.0

1 will be admitted into evidence without objection.

2 Mt. Carmel Public Utility Exhibit 3.0
3 will be admitted into evidence without objection.

4 4.0. I will say these, 5.0, 6.0, 7.0,
5 1.0 R, 1.0 SR will all be admitted into evidence in
6 this docket without objection.

7 Mt. Carmel Public Utility Exhibit 1.1
8 SR will be admitted into evidence in this docket over
9 the objection of the City of Mt. Carmel. I think
10 this is proper supplemental. As indicated, it
11 references Mt. Carmel Public Utility by Mr. Long. He
12 has previously testified about the potential of
13 releasing these purchase orders, and so this will be
14 admitted into evidence as a supplement to that over
15 objection.

16 Mt. Carmel Public Utility Exhibit 2.0
17 SR, the board minutes, will also be admitted into
18 evidence over the objection of the City of Mt.
19 Carmel.

20 And objection -- or, I am sorry,
21 Exhibit 3.0 SR will be admitted into evidence without
22 objection.

1 (Whereupon Mt. Carmel Public
2 Utility Exhibits 1.0, 2.0, 3.0,
3 4.0, 5.0, 6.0, 7.0, 1.0 R, 1.0
4 SR, 1.1 SR, 2.0 SR, 3.0 SR were
5 admitted into evidence.)

6 MS. VON QUALEN: Judge, will the company be
7 allowed to late file exhibit --

8 JUDGE YODER: I am sorry, late-filed Exhibit
9 1.1 SR will be admitted as a late-filed exhibit when
10 a non-faxed -- or it will be filed onto the e-Docket
11 system, which Mr. Bramlet has indicated the company
12 will be able to do.

13 Any further evidence to present on
14 behalf of Mt. Carmel Public Utility, Mr. Bramlet?

15 MR. BRAMLET: Not at this time, Your Honor.

16 JUDGE YODER: Okay. Mr. Balough, anything to
17 present then on behalf of the City of Mt. Carmel?

18 MR. BALOUGH: Yes, we are ready to proceed.

19 JUDGE YODER: Ms. Stennett, were you in the
20 room and previously sworn as a witness in this
21 docket?

22 MS. STENNETT: Yes.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

BRANDI STENNETT

called as a witness on behalf of the City of Mt.
Carmel, having been first duly sworn, was examined
and testified as follows:

DIRECT EXAMINATION

BY MR. BALOUGH:

Q. Would you please state your name and your
position.

A. Yes, my name is Brandi Stennett, and I am
the Economic Development Coordinator for the City of
Mt. Carmel.

Q. Ms. Stennett, do you have in front of you
what has been previously marked the City Exhibit 1.0?
And let me just -- City Exhibit 1.0?

A. Yes, I do.

Q. And this is your prefiled direct testimony?

A. Yes, sir.

Q. Do you have any additions or corrections to
that testimony?

A. Yes, sir, I believe I do.

On page 8, the statement made on
Section 157 should read "In addition, Mt. Carmel

1 Public Utility should structure its rate in favor of
2 small business and not increase their current rates
3 above residential rates."

4 MR. BALOUGH: And, Your Honor, we will file a
5 corrected copy, and also a copy that strikes the
6 provision on 153, 154.

7 Q. And you also have, Ms. Stennett, in front
8 of you City Exhibit 2.0 with Attachment 2.01?

9 A. Yes, sir.

10 Q. And is that your rebuttal testimony?

11 A. Yes.

12 Q. Ms. Stennett, if I were to ask you the
13 questions that appear in City Exhibit 1.0 and 2.0
14 today, would your answers be the same?

15 A. Yes.

16 MR. BALOUGH: Your Honor, I would offer City
17 Exhibit 1.0 and City Exhibit 2.0 with Exhibit 2.01.
18 City Exhibit 1.0 was filed on e-Docket on September
19 20 of 2007. City Exhibit 2.0 was filed on November
20 7, 2007. And as I indicated, I will file a City
21 Exhibit 1.0 Corrected to reflect the correction in
22 the sentence that was stricken.

1 JUDGE YODER: Very well. Do you tender
2 Ms. Stennett for cross?
3 MR. BALOUGH: Yes, sir.
4 JUDGE YODER: We will address the admissibility
5 of her exhibits after any cross examination.
6 Ms. Von Qualen or Mr. Olivero, does
7 Staff have any cross examination of Ms. Stennett?
8 MS. VON QUALEN: No, Staff has no questions.
9 JUDGE YODER: Mr. Bramlet, does Mt. Carmel have
10 any cross examination of Ms. Stennett?
11 MR. BRAMLET: Very limited, Your Honor.
12 CROSS EXAMINATION
13 BY MR. BRAMLET:
14 Q. Good morning.
15 A. Good morning.
16 Q. If you would look at your direct testimony
17 on page 2, lines 36 through 38, you state, "The City
18 has been hit hard by the events of an economy scaling
19 back on industry and the increased cost of energy"?
20 A. Yes.
21 Q. You are aware, aren't you, that Mt. Carmel
22 Public Utility Company has not had a rate increase in

1 ten years, aren't you?

2 A. Yes.

3 Q. I am trying to reduce this down, so it will

4 take me a second. Taking out questions.

5 Ms. Stennett, on page 4, line 66 of

6 your direct testimony, you discuss three companies

7 that were interested in moving to Mt. Carmel, is that

8 correct?

9 A. That's correct.

10 Q. What are the names of those companies?

11 A. Do you have a copy of --

12 MR. BALOUGH: Your Honor, if we are going to

13 discuss these companies, I don't believe anyone --

14 well, I object to everything being in open session

15 only with respect to that these are companies that

16 have had negotiations to locate, to not locate. I

17 don't think it is serious --

18 MR. BRAMLET: Your Honor, I will withdraw the

19 question.

20 JUDGE YODER: Okay.

21 BY MR. BRAMLET:

22 Q. Of the three companies that you discussed,

1 did any of those companies to your knowledge
2 specifically talk to Mt. Carmel Public Utility
3 Company about energy costs?

4 A. To my knowledge I asked them to consult
5 with the public utility. Therefore, I do not have
6 direct knowledge whether they did so or not.

7 Q. Ms. Stennett, are you familiar with the
8 utility company's tariffs?

9 A. I believe I am.

10 Q. Have you -- are you familiar with Rate ECS?

11 A. Put that in more general terms.

12 Q. That would be the Electric Contract Service
13 Tariff.

14 A. No.

15 MR. BRAMLET: Your Honor, we have no further
16 cross examination.

17 JUDGE YODER: Any redirect based on anything
18 the utility asked?

19 MR. BALOUGH: No, Your Honor.

20 JUDGE YODER: Mr. Bramlet, any objection to the
21 admission of what will be a late-filed corrected
22 Exhibit 1, Direct Testimony of Ms. Stennett; Exhibit

1 2, the Rebuttal Testimony of Ms. Stennett; and
2 Exhibit 2.01 attached to Exhibit 2?

3 MR. BRAMLET: No, Your Honor.

4 JUDGE YODER: Staff have any objection to the
5 admission of those exhibits?

6 MS. VON QUALEN: No.

7 JUDGE YODER: Then what will be captioned as a
8 Late-filed Corrected Exhibit 1.0, the Direct
9 Testimony of Ms. Stennett; Exhibit 2.0, the Rebuttal
10 Testimony of Ms. Stennett, with accompanying Exhibit
11 2.01, will be admitted into evidence then in this
12 docket.

13 (Whereupon City Exhibits
14 Late-filed Corrected Exhibit
15 1.0, 2.0 and 2.01 were admitted
16 into evidence.)

17 JUDGE YODER: Any further evidence to present
18 on behalf of the City of Mt. Carmel, Mr. Balough?

19 MR. BALOUGH: No, Your Honor.

20 JUDGE YODER: We will go off the record for a
21 few minutes.

22 (Whereupon there was then had an

1 off-the-record discussion.)

2 JUDGE YODER: Back on the record. At the close
3 of evidence I will have the record marked heard and
4 taken. Issues raised during the presentation of
5 testimony about possible supplementation will be
6 addressed at a later date.

7 The parties have indicated that the
8 schedule going forth is agreeable. At this point it
9 would be that parties would file post-hearing briefs
10 by January 3, 2008, 5:00 p.m. Post-hearing reply
11 briefs would be filed by January 14, 2008, at 5:00
12 p.m.

13 I will indicate from that date I'll
14 attempt to have a proposed order out on or about the
15 1st of February, and then I would set in that
16 proposed order dates for filing briefs on exceptions
17 and reply briefs to exceptions. It will be based on
18 when that order actually goes out.

19 Anything else that needs to be
20 addressed today, Mr. Bramlet?

21 MR. BRAMLET: Not that I am aware of.

22 JUDGE YODER: Mr. Von Qualen or Mr. Olivero,

1 anything else to address?

2 MS. VON QUALEN: Staff has nothing.

3 JUDGE YODER: Mr. Balough, anything else you
4 need to address today?

5 MR. BALOUGH: No, Your Honor.

6 JUDGE YODER: All right then, I look forward to
7 the briefs. As indicated, before Carla shuts it off,
8 I trust the parties will kind of coordinate amongst
9 them about the briefs and the issues. And as
10 indicated, there are not too many contested issues.
11 They all kind of look like each other. So thank you,
12 all.

13 HEARD AND TAKEN

14

15

16

17

18

19

20

21

22